

Grant Thornton
Statsautoriseret
Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø
CVR-nr. 34209936
T (+45) 33 110 220
www.grantthornton.dk

ACT.Global A/S


Kajakvej 2, 2770 Kastrup

Company reg. no. 35 03 50 44

Annual report

1 July 2016 - 30 June 2017

The annual report has been submitted and approved by the general meeting on the 18 January 2018.



Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's report	1
Independent auditor's report	2
Management's review	
Company data	5
Management's review	6
Annual accounts 1 July 2016 - 30 June 2017	
Profit and loss account	12
Balance sheet	13
Notes	15
Accounting policies used	19

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of ACT.Global A/S for the financial year 1 July 2016 to 30 June 2017.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 30 June 2017 and of the company's results of its activities in the financial year 1 July 2016 to 30 June 2017.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Kastrup, 18 January 2018


Managing Director

Carsten Jensen


Board of directors

Carsten Jensen


Finn Lægaard Jensen


Geza Barint

Independent auditor's report

To the shareholders of ACT.Global A/S

Auditor's report on the annual accounts

Opinion

We have audited the annual accounts of ACT.Global A/S for the financial year 1 July 2016 to 30 June 2017, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 30 June 2017 and of the results of the company's operations for the financial year 1 July 2016 to 30 June 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

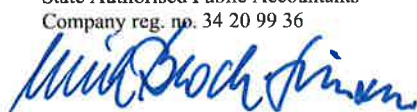
Violation of the Danish Financial Statements Act regarding timely preparation of the annual report

In contravention of the Danish Financial Statements Act, the company has not prepared the annual report in a timely manner, whereby management can incur liability.

Copenhagen, 18 January 2018

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36



Ulrik Bloch-Sørensen
State Authorised Public Accountant
MNE-nr. 2913



Martin Bomholtz
State Authorised Public Accountant
MNE-nr. 34117

Company data

The company	ACT.Global A/S Kajakvej 2 2770 Kastrup
	Company reg. no. 35 03 50 44
	Established: 1 February 2013
	Financial year: 1 July - 30 June
Board of directors	Carsten Jensen Finn Lægaard Jensen Geza Balint
Managing Director	Carsten Jensen
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø

Management's review

THE BUSINESS

Main Activities

The Company provides B2B products and services fighting and exterminating hazardous microorganisms and generally improving hygiene and indoor climate. Examples of such undesired microorganisms are bacteria, viruses, mould and fungi, VOCs (Volatile Organic Compounds), unpleasant smells etc. Typical targeted market segments are hospitals, hotels, food production, agriculture, gyms & SPAs to mention only a few.

History

Considering the potential market segments and their associated requirements on proof of concepts, as well as addressing any reasonable considerations on health and environment implications related to the products, the Company has spent more than four years on research, tests and validations, business model design, general competence development and selecting partners to facilitate a unique and robust end-to-end offering. This has been done in collaboration with acknowledged and independent laboratories, universities, authorities, influential scientists and well reputed business profiles. Additionally, a limited number of tests have been conducted with customers on a commercial basis.

Over the past four years since inception, the Company has also built up its professional work force, its operating infrastructure, its brand and its market profile.

The Company is preparing for correct, consistent and credible messages to anyone who may be interested in the services, or to anyone who may challenge any aspect of the business.

Compliance

The fact that the products delivered with the services are biocides (substances that aim to destroy harmful organisms) puts a requirement on the Company to comply with certain laws and regulations; both on union/federal as well as on national levels.

More than 3 million € has been spent on filing necessary documentation to comply with the European Union's and its European Chemicals Agency's (ECHA) Biocidal Products Regulation (BPR). This documentation is referred to as a dossier.

Any business selling and marketing biocides in the EU, need to have their product(s) authorized. The active substances of these products need to be registered and approved by submitting a dossier. Companies marketing and selling products where the active substance is so called in situ generated free radicals, needed to file a dossier before 1st September 2016, alternatively buy data from an existing dossier via a Letter of Access (LoA) . There are approximately 7.000 companies that need to comply to the relevant sections of the BPR, whilst only six bodies, including the Company, have filed a dossier before the official dead-line. To summarize, the Company has a substantial revenue potential by selling LoAs. A pricing model has been developed, taking into account the companies' size/revenue and the nature of their businesses. The Company is now in the process of approaching the targeted companies needing access to the dossier data.

Management's review

Business Model

The Company divides the market in two dimensions: geography and per business segment. This creates a matrix, symbolically depicted in figure 1. Each cell of this matrix represents a defined business opportunity. Each business opportunity is evaluated from the two dimensions; country (population, GDP, PPP etc.) and segment (size, type of challenges, technical conditions etc.).

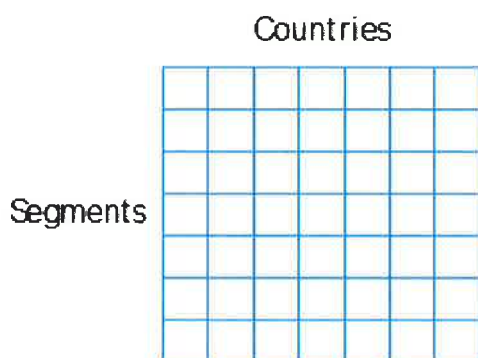


Figure 1. Country/segment matrix

The Company focuses on the segments Healthcare, Hospitality, Food Industry and the Marine and Sport segments.

To enable a quick global roll out, the Company partners up with local companies who acquire the rights to market and sell certain segments per country. These partners may be independent companies, or co-owners with the Company of local Joint Ventures (JV).

Furthermore, to secure qualitative deliveries of the services, the Company is in process of partnering up with a global operator. This operator will support all local JVs/partners with the service deliveries.

The Company's production unit in Malaysia manufactures the core product CleanCoat®, The product, and the auxiliary products, are sold to the local JVs/partners, and subsequently, the partners sell and deliver the services and products to the end customers in the designated countries/segments.

Management's review

Revenue Streams

The Company has several main revenue streams.

The first is sign-on or license fees from the partners. The license fee is based on licensed countries/segments and the related evaluations mentioned. Normally the license rights are sold on a three years' basis.

The second revenue stream is from CleanCoat® product sales and auxiliary products to JVs/partners and customers.

The third type of revenue comes from various services; technical services and support to partners and customers; licenses to the Company's e-learning platform; and licenses to IS/IT infrastructure.

The Company's research and development unit focuses on optimization of the CleanCoat® production and is building a laboratory that will be used both for internal purposes, but also for selling services, e.g. bio-chemical analyses. This will be a fourth revenue stream. Furthermore, development of nano-standards holds another earning opportunity.

Finally, the Letter of Access (LoA) sales related to the afore mentioned dossier, is predicted to be a considerable source of income.

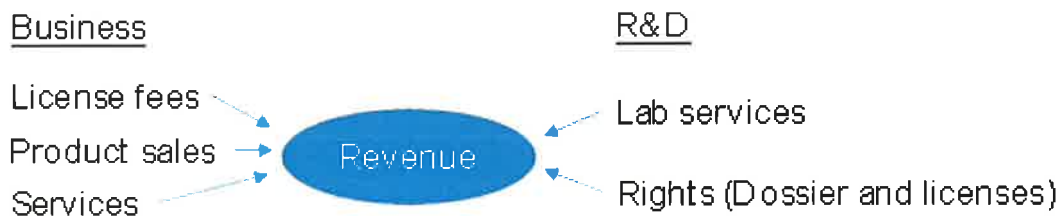


Figure 2. Revenue streams

Management's review

ACHIEVEMENTS DURING THE YEAR

Activities During the Fiscal Period

The Company's result shows a profit before tax of DKK 9.2 million and an equity of DKK 16.8 million, which means set budgets and margins were reached and excelled.

The Company has verified the go to market model and arranged partners covering countries: United Kingdom, Iceland, Turkey, Russia, Ukraine, Azerbaijan, Australia and Indonesia.

The Danish home market, where the Company conducts direct sales to end customers, expects to see growth on a trend whereby the Company receives new sales leads through unsolicited references from existing satisfied customers.

The Company has submitted dossiers for nine application areas (so called product types), which secures its ability to market and sell its own TiO₂ based products (i.e. CleanCoat) in the EU. The Company's dossier applications also open up the possibility to achieve substantial revenues from sales of LoAs to other Companies selling TiO₂ products as a biocide and who have not successfully filed a dossier and are therefore prohibited from marketing their respective products for uses falling under their respective EU category.

The Company has during the year chosen the reputable Accura Advokatpartnerselskab as its legal counsel. Accura has assisted the Company with the consolidation of the total legal documentation. It now stands a top-class level and is stored in a Data Room, hosted by Accura.

Infotransactions Statsautoriseret Revisionsaktieselskab has supported the Company in setting up structures, mainly in the financial/legal area.

The Company has acquired an approval from the Danish Fødevarestyrelsen, to treat with CleanCoat® surfaces in direct contact with food. This is a major achievement that opened up the vast food industry for the Company.

Subsequent Activities

Business

Sweden: Joint Venture formed with a partner in Sweden. The partner has signed its first order.

India: Frame agreement signed.

Nigeria: Master Partner Agreement signed. The partner can open up in several countries in Africa.

South Africa: Master Partner Agreement signed.

Baltics/Czech Republic/Poland/Slovakia: Partner assigned to distribute the Company's products.

Global Sales and Distribution Agreement signed with Envirolyte Industries International Ltd. concerning ECA water machines.

Thailand: Master Partner Agreement signed

Capital

The Company has raised DKK 44.3M through shares sales between 1-July to 31-Dec. 2017.

Management's review

OUTLOOK

Roll-out will have a substantial up-take during the period. A partner will be signed up for global logistics, including web-based ordering, collection, distribution and billing.

The business segments Healthcare, Marine and Sport are expected to show positive results in the near future with the new geographical markets opening in the next 12 months.

R&D will continue its focus on production optimization, as well as development of products supporting the total solution. The organization will be strengthened with an HR Director and a PR/Communications Manager during the year. The Company valuation is predicted to continue to increase and further to prove a good investment of its shareholders.

CORRECTION OF PRIOR PERIOD ACCOUNTING ERRORS

Prior period accounting errors has been found in the annual report 2014/2015 and 2015/2016. The errors is attributable to:

2014/2015:

- Correction of prepayment

The total effect on the result for the year, equity and total assets is DKK 711.641, DKK 711.641 and DKK 218.609 respectively.

2015/2016:

- Correction of revenue
- Correction of inventory
- Correction of tax credit reimbursement

The total effect on the result for the year, equity and total assets is negatively with DKK 32.206.449, DKK 32.206.449 and DKK 38.820.303 respectively.

In accordance with the Danish Financial Statements Act the correction of prior period accounting errors is adjusted directly to equity. The figures for 2015/16 are corrected accordingly.

For further specifications see note 8.

Management's review

OWN SHARES

The enterprise' holding of own shares is 42.786 shares of DKK 1 each, corresponding to 4,2 % of the contributed capital.

During the year, the enterprise acquired 60.386 own shares of DKK 1 each. The purchase price represents DKK 9.187.500. The company has acquired own shareholding of shareholders.

During the year, the enterprise has disposed of 17.600 own shares of DKK 1 each. The selling price is DKK 7.375.000.

Profit and loss account 1 July - 30 June

All amounts in DKK.

<u>Note</u>	<u>2016/17</u>	<u>2015/16</u>
Gross profit	24.358.867	-16.754.931
1 Staff costs	-10.744.584	-4.960.051
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-492.251	-164.702
Other operating costs	-187.571	0
Operating profit	12.934.461	-21.879.684
Income from equity investments in group enterprises	0	197.193
Other financial income from group enterprises	499.509	273.573
Other financial income	189.555	0
2 Other financial costs	-4.404.630	-3.247.775
Results before tax	9.218.895	-24.656.693
3 Tax on ordinary results	-2.218.889	4.926.843
Results for the year	7.000.006	-19.729.850
Proposed distribution of the results:		
Allocated to results brought forward	7.000.006	0
Allocated from results brought forward	0	-19.729.850
Distribution in total	7.000.006	-19.729.850

Balance sheet 30 June

All amounts in DKK.

Assets		
<u>Note</u>	<u>2017</u>	<u>2016</u>
Fixed assets		
4 Acquired concessions, patents, licenses, trademarks and similar rights	1.226.075	1.226.075
5 Development projects in progress and prepayments for intangible fixed assets	14.228.760	11.089.061
Intangible fixed assets in total	<u>15.454.835</u>	<u>12.315.136</u>
6 Other plants, operating assets, and fixtures and furniture	1.961.395	2.537.477
Tangible fixed assets in total	<u>1.961.395</u>	<u>2.537.477</u>
Equity investments in group enterprises	857.109	817.109
Deposits	1.422.878	1.712.422
Financial fixed assets in total	<u>2.279.987</u>	<u>2.529.531</u>
Fixed assets in total	<u>19.696.217</u>	<u>17.382.144</u>
Current assets		
Manufactured goods and trade goods	2.928.861	2.696.270
Prepayments for goods	0	143.968
Inventories in total	<u>2.928.861</u>	<u>2.840.238</u>
Trade debtors	34.678.133	1.001.879
Amounts owed by group enterprises	10.592.960	5.008.496
Deferred tax assets	1.138.844	3.357.733
Receivable corporate tax	0	1.746.800
Other debtors	1.474.777	1.357.537
Debtors in total	<u>47.884.714</u>	<u>12.472.445</u>
Available funds	<u>3.061.808</u>	<u>2.953.062</u>
Current assets in total	<u>53.875.383</u>	<u>18.265.745</u>
Assets in total	<u>73.571.600</u>	<u>35.647.889</u>

Balance sheet 30 June

All amounts in DKK.

Equity and liabilities		<u>2017</u>	<u>2016</u>
<u>Note</u>			
Equity			
7	Contributed capital	1.000.000	1.000.000
8	Results brought forward	15.781.576	10.594.070
	Equity in total	<u>16.781.576</u>	<u>11.594.070</u>
Provisions			
	Other provisions	200.000	0
	Provisions in total	<u>200.000</u>	<u>0</u>
Liabilities			
	Leasing liabilities	458.396	1.108.455
	Other debts	0	2.357.829
	Debt to shareholders and management	14.340.266	10.484.860
	Long-term liabilities in total	<u>14.798.662</u>	<u>13.951.144</u>
	Leasing liabilities, short-term	321.453	0
	Bank debts	127.177	0
	Prepayments received from customers	930.250	930.250
	Trade creditors	5.226.648	2.084.276
	Debt to group enterprises	0	1.947.701
	Debt to shareholders and management	13.610.193	0
	Other debts	21.568.963	5.140.448
	Accrued expenses and deferred income	6.678	0
	Short-term liabilities in total	<u>41.791.362</u>	<u>10.102.675</u>
	Liabilities in total	<u>56.590.024</u>	<u>24.053.819</u>
	Equity and liabilities in total	<u>73.571.600</u>	<u>35.647.889</u>

9 Contingent liabilities

Notes

All amounts in DKK.

	<u>2016/17</u>	<u>2015/16</u>
1. Staff costs		
Salaries and wages	10.262.446	4.960.051
Pension costs	226.043	0
Other costs for social security	96.333	0
Other staff costs	159.762	0
	<u>10.744.584</u>	<u>4.960.051</u>
Average number of employees	<u>17</u>	
2. Other financial costs		
Financial costs, group enterprises	73.884	0
Other financial costs	4.330.746	3.247.775
	<u>4.404.630</u>	<u>3.247.775</u>
3. Tax on ordinary results		
Tax of the results for the year, parent company	0	123.640
Adjustment for the year of deferred tax	2.218.889	-5.050.483
	<u>2.218.889</u>	<u>-4.926.843</u>
4. Acquired concessions, patents, licenses, trademarks and similar rights		
Cost 1 July 2016	1.236.378	1.236.378
Cost 30 June 2017	<u>1.236.378</u>	<u>1.236.378</u>
Amortisation and writedown 1 July 2016	-10.303	0
Amortisation for the year	0	-10.303
Amortisation and writedown 30 June 2017	<u>-10.303</u>	<u>-10.303</u>
Book value 30 June 2017	<u>1.226.075</u>	<u>1.226.075</u>

Notes

All amounts in DKK.

	<u>30/6 2017</u>	<u>30/6 2016</u>
5. Development projects in progress and prepayments for intangible fixed assets		
Cost 1 July 2016	11.089.061	11.089.061
Additions during the year	3.139.699	0
Cost 30 June 2017	<u>14.228.760</u>	<u>11.089.061</u>
Book value 30 June 2017	<u>14.228.760</u>	<u>11.089.061</u>
6. Other plants, operating assets, and fixtures and furniture		
Cost 1 July 2016	2.800.613	315.218
Additions during the year	130.377	2.485.395
Disposals during the year	-347.215	0
Cost 30 June 2017	<u>2.583.775</u>	<u>2.800.613</u>
Amortisation and writedown 1 July 2016	-263.136	-64.603
Depreciation for the year	-492.251	-198.533
Reversal of depreciation, amortisation and writedown, assets disposed of	133.007	0
Amortisation and writedown 30 June 2017	<u>-622.380</u>	<u>-263.136</u>
Book value 30 June 2017	<u>1.961.395</u>	<u>2.537.477</u>
Leased assets are included with a book value of	<u>1.824.862</u>	<u>2.167.757</u>
7. Contributed capital		
Contributed capital 1 July 2016	<u>1.000.000</u>	<u>1.000.000</u>
	<u>1.000.000</u>	<u>1.000.000</u>

The share capital consists of 1 mio. shares, each with a nominal value of DKK 1.

Notes

All amounts in DKK.

	<u>30/6 2017</u>	<u>30/6 2016</u>
8. Results brought forward		
Results brought forward 1 July 2016	10.594.070	17.128.505
Correction of prior period accounting error, 2014/15	0	-711.641
Correction of prior period accounting error, 2015/16	0	-32.206.448
The correction of prior period accounting errors 2015/16 are now incorporated in the profit and loss account for the year 2015/16	0	32.206.448
Profit or loss for the year brought forward	7.000.006	-19.729.850
Transferred from revaluation reserves after taxation	0	782.056
Treasury Shares Account	-9.187.500	0
Transferred to share capital	0	-875.000
Shares sold	7.375.000	14.000.000
	<u>15.781.576</u>	<u>10.594.070</u>

Correction of prior period accounting error, 2014/15:

Correction of prepayments affect the profit and loss account with negatively DKK 930.250 before tax. After tax the effect on the result for the year, equity and total assets is DKK 711.641, DKK 711.641 and DKK 218.609 respectively.

Correction of prior period accounting error, 2015/16:

Correction of revenue affect the profit and loss account with negatively DKK 43.362.836 before tax. After tax the effect on the result for the year, equity and total assets is DKK 33.823.012, DKK 33.823.012 and DKK 40.436.866 respectively.

Correction of inventory affect the profit and loss account with negatively DKK 562.000 before tax. After tax the effect on the result for the year, equity and total assets is DKK 438.360, DKK 438.360 and DKK 438.360 respectively.

Correction of tax credit reimbursement affect the profit and loss account with positively DKK 0 before tax. After tax the effect on the result for the year, equity and total assets is DKK 1.746.800, DKK 1.746.800 and DKK 1.746.800 respectively.

Correction of calculated interest on corporate tax and other taxable affect the profit and loss account with positively DKK 127.827 before tax. After tax the effect on the result for the year, equity and total assets is DKK 308.123, DKK 308.123 and DKK 308.123 respectively.

The total affect on the result for the year, equity and total assets is negatively with DKK 32.206.449, DKK 32.206.449 and DKK 38.820.303 respectively.

Notes

All amounts in DKK.

9. Contingent liabilities

The company has entered into a rent agreement with a current annual rent payment of TDKK 1.805. The rent agreement can not be terminated before June 2022.

The company has provided its subsidiaries ACT.Global Marine ApS, ACT.Global Healthcare ApS, ACT.Global R&D ApS and ACT.Global Sport ApS with a letter of support, which obliges the company to maintain current loans to the subsidiaries, and to provide the subsidiaries with the necessary funds as may be required to ensure that the subsidiaries maintain capital and liquidity levels to enable the subsidiaries at all times to meet their obligations in conformity with standards of prudence generally accepted for the subsidiaries field of business. The letters of support are valid until 30 June 2018.

Other contingent liabilities have been assessed by management to the amount of TDKK 2.850. Other contingent liabilities includes operational leasing liabilities and other contingencies and commitments which management have assessed less probable to result in a future outflow of economic benefits and consequently do not meet the recognition criteria.

Joint taxation

The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The total tax payable under the joint taxation amounts to DKK 0.

The liability relating to obligations in connection with withholding tax on dividends, interest and royalties represents an estimated maximum of DKK 0.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

Accounting policies used

The annual report for ACT.Global A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Accounting policies used

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, raw materials and consumables used, production cost, selling costs, vehicle cost, cost of premises and administration costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

Accounting policies used

The balance sheet

Intangible fixed assets

Development projects, patents, and licences

Development costs comprise e.g. salaries, wages, and other external costs which directly refer to the development activities.

Clearly defined and identifiable development projects are recognised as intangible fixed assets provided that the technical feasibility, sufficient resources, and a potential market or a development opportunity can be demonstrated, and provided that it is the intention to produce, market or utilise the project. It is, however, a condition that the cost can be calculated reliably and that a sufficiently high degree of certainty indicates that future earnings will cover the costs for production, sales, and administration. Other development costs are recognised in the profit and loss account concurrently with their realisation.

Development costs recognised in the balance sheet are measured at cost with deduction of accrued depreciation and writedown.

After completion of the development work, capitalised development costs are amortised on a straight line basis over the estimated financial useful life. Usually, the amortisation period is 10 years.

Patents and licenses are measured at cost with deduction of accrued amortisation. Patents are amortised on a straight-line basis over the remaining patent period, and licenses are amortised over the contract period, however, for a maximum of 10 years.

Gain and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under amortisation.

Tangible fixed assets

Other tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Accounting policies used

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life and the residual value of the individual assets:

	<i>Useful life</i>	<i>Residual value</i>
<i>Other plants, operating assets, fixtures and furniture</i>	<i>3-5 years</i>	<i>0-20 %</i>

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under depreciation.

Leasing contracts

At the first recognition in the balance sheet, leasing contracts concerning tangible fixed assets by which the company holds all essential risks and advantages attached to the proprietary right (financial leasing) are measured either at fair value or at the present value of the future leasing services, whichever value is lower. When calculating the present value, the internal interest rate of the leasing contract or alternatively the borrowing rate of the enterprise is used as discount rate. Afterwards, financially leased assets are treated in the same way as other similar tangible assets.

The capitalised residual leasing liability is recognised in the balance sheet as a liability, and the interest part of the leasing contract is recognised in the profit and loss account over the term of the contract.

All other leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Decoration of rented premises

Decoration of rented premises are measured at cost with deduction of accrued depreciation. Depreciation takes place on a straight-line basis over the estimated useful life of the asset, which is set at 5 years.

Financial fixed assets

Equity investments in group enterprises and associated enterprises

Equity investments in group enterprises and associated enterprises are measured at cost. In case the recoverable amount is lower than the cost, writedown takes place to this lower value.

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

Accounting policies used

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Available funds

Available funds comprise cash at bank and in hand.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

ACT.Global A/S is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, ACT.Global A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Payable and receivable joint taxation contributions are recognised in the balance sheet as "Receivable corporate tax" or "Payable corporate tax".

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Other provisions

Provisions comprise expected costs for guarantee liabilities, loss on work in progress, restructuring, etc. Provisions are recognised when the company has a legal or actual liability which is due to a previous event and when it is likely that the settlement of the liability will result in expenditure of the financial resources of the company.

Accounting policies used

If the settlement of the liability is expected to take place in some remote future, provisions are measured at the net realisable value or at fair value.

Guarantee liabilities comprise liabilities for repairs within the guarantee period of 1-5 years. The provisions are measured at the net realisable value and recognised on basis of the obtained experience with guarantee work. If provisions have an expected due date later than 1 year from the balance sheet date, they are discounted at the average bond interest.

On the acquisition of enterprises, provisions for restructuring within the acquired enterprise is included in the acquisition cost, and thereby in the goodwill or the consolidated goodwill, to the extent that they have been approved and announced on the date of acquisition at the latest.

When it is likely that the total costs will exceed the total income of work in progress for the account of others, provisions are made for the total loss expected on the contract. Provisions are recognised as costs under production costs.

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.